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DCI Talking Points	
INDIA: Situation Report1300 EST	
India radio reported today that the Indian Army has been ordered to shoot on sight in cases of arson and violence. The Home Minister told newsmen Rajiv wants the situation brought under control at all costs. Army troops are seeking to quell arson and looting and around New Delhi and four other cities.	25X1 25X1
Earlier, US Embassy observers reported little success by the authorities in controlling violence in New Delhi. The press reports at least 80 people killed and 800 injured nationwide. US diplomatic and press reporting indicate violence is directed mainly aginst Sikhs but that other caste and communal groups may become targets of Hindu mobs. By Indian standards these casualties are not alarming.	25 X 1
Some Indian vernacular and English language newspapers in New Delhiincluding the Hindustan Times and the Patriothave begun carrying direct or indirect links between the US government and the assassination of Indira Gandhi. The Consulate in Madras reports that local edictions of English language papers carry no such allegations.	25X1
Islamabad is taking a number of steps it hopes will prevent an increase in tensions with New Delhi.	
President Zia has called for three days of mourning, telephoned Rajiv Gandhi, and plans to lead Pakistan's delegation to Saturday's funeral.	
Pakistani press coverage of the assassination has been restrained.	

Zia has ordered the armed

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forces to avoid unusual activity that India could

misinterpret.

Selected Anti-US Statements by Rajiv Gandhi

1983

Late July--In reference to civil disturbances, Rajiv said he was "sure" of US interference in India's internal affairs.

1984

- 3 February--The US effort to obtain bases in Sri Lanka is a threat to India.
- 12 September -- "The same country and agency" that supports the Afghan insurgents is helping Kashmiri and Sikh dissidents. The United States is giving nuclear assistance to China which is then passed to Pakistan.
- 13 September--The United States wants to destabilize India and is responsible for India's troubles.

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RAJIV'S CHALLENGES

Rajiv Gandhi will face major challenges over the next month:

- l. The Sikhs: Rajiv needs in the short term to protect Sikhs from Hindu retaliation for the late prime minister's assassination. In the longer term, he will have to risk losing the support of northern Hindus by trying to conciliate moderate Sikhs with a political settlement. Otherwise he would have to retain the reluctant Army indefinitely in control of Punjab State--the Sikh homeland. The risk of further acts of terrorism by Sikh extremists--including possible attempts on Rajiv's life-is high.
- 2. Law and Order: Regional strife in the northeast, Hindu-Muslim tensions in cities across the country, and rural violence probably will continue to strain the capabilities of state security forces. Rajiv will have to decide whether to continue his mother's pattern of calling on Army troops to control domestic violence, or to revitalize the paramilitary forces.
- 3. Pressures for Decentralization: Rajiv inherits a conflict between demands by regional parties—including the moderate Sikh Akali Dal Party—for more state autonomy, and the highly centralized pattern of decisionmaking established by his mother. Within the Congress Party itself, some state leaders will likely seek to test Rajiv's authority and increase their independence of the national party committee.
- 4. Elections: Rajiv probably would prefer to hold elections in January to capitalize on the groundswell of sympathy following his mother's assassination. However, he could be forced to decide to postpone them because of growing sectarian violence and disorganization in the Congress Party's electoral campaign.

Assets

Rajiv's assets in dealing with these challenges include:

- -- The two-thirds majority the Congress Party--which he now heads--enjoys in the key lower house of Parliament.
- -- A well-disciplined, loyal, apolitical million-man Army.
- -- India's size, which enables its political system to absorb and survive extensive and prolonged unrest.

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